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Visiting Hemisphere Leaders

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RP 77-10231
September 2, 1977

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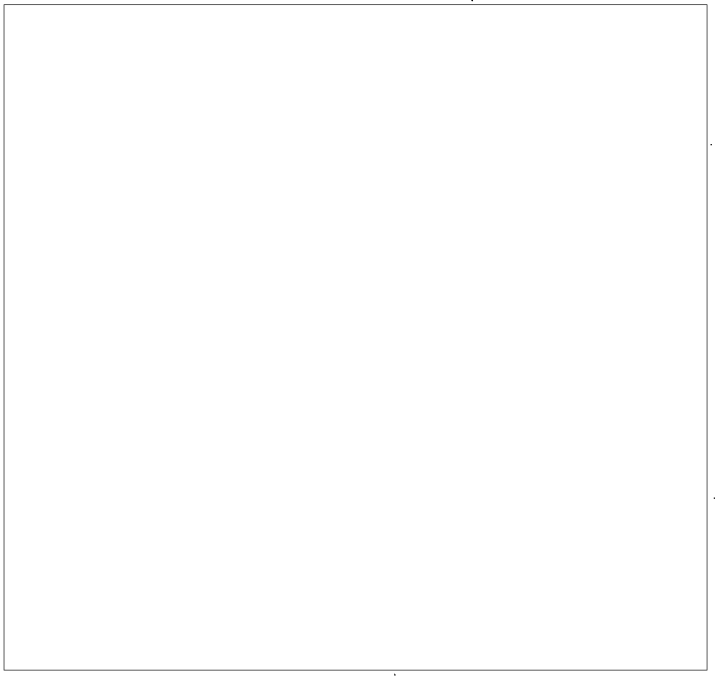

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Visiting Hemisphere Leaders

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Central Intelligence Agency
Directorate of Intelligence

September 2, 1977

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INTRODUCTION

Most of the Latin American chiefs of state will seize the opportunity of next week's bilateral discussions to speak forcefully and candidly on a number of issues. The southern cone leaders--Argentina and Chile, especially--will be quick to point out that they do not believe they are being given credit in Washington for the progress they have made on the human rights front during the past year. These leaders will be somewhat strident in proclaiming that they have been engaged in a virtual civil war with leftist extremists and will plead for the US to be "understanding" and "realistic" in pursuing its human rights policies.

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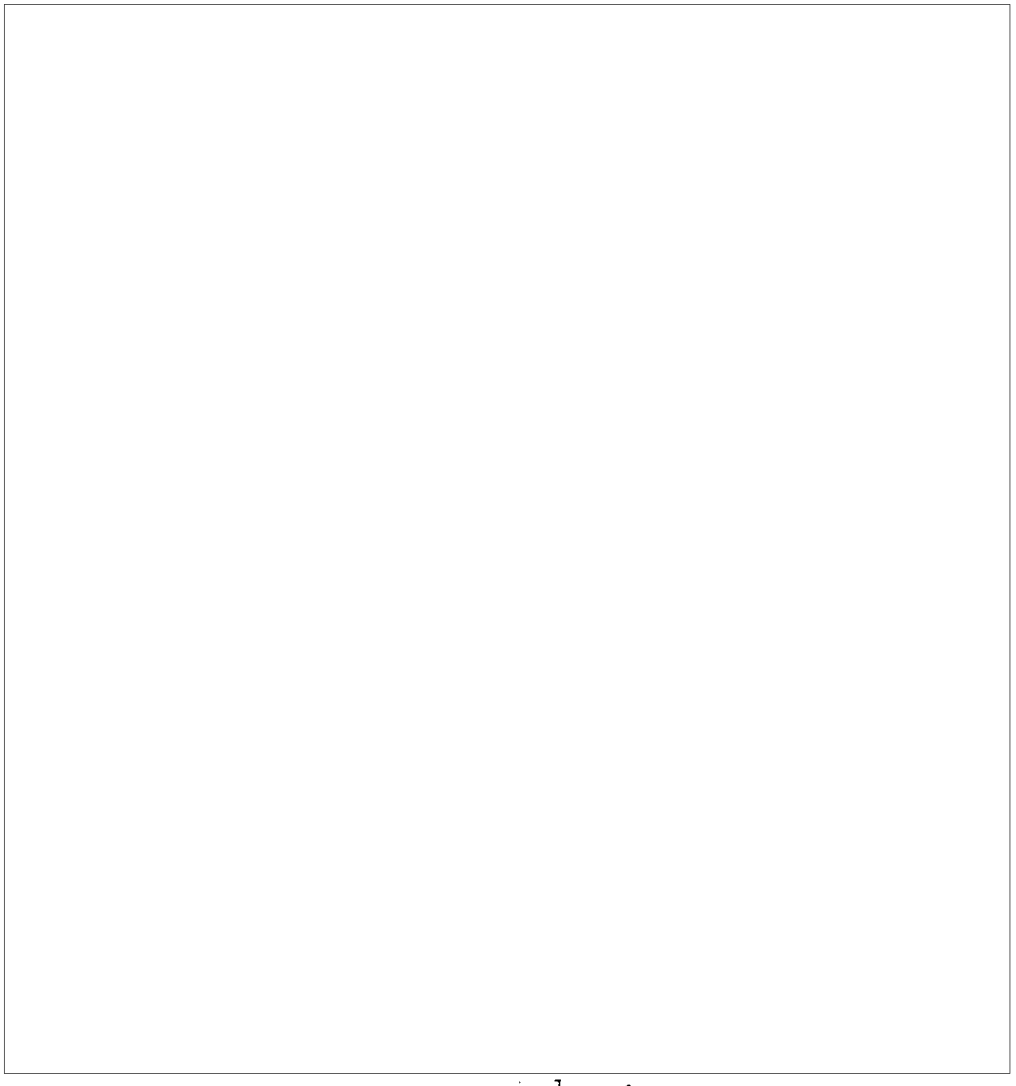

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ARGENTINA

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President Jorge Rafael VIDELA
(phonetic: veeDEHla)

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ARGENTINA

President Jorge Rafael VIDELA (pronounced veeDEHla), a political moderate, has successfully held off elements within the Argentine military who have urged a more vigorous attack against subversives. Videla--sophisticated, urbane, but overly methodical--is acutely aware that human rights violations have occurred since the March 1976 coup that deposed the government of President Peron. In recent months, excesses against the terrorists have diminished, but illegal activities not sanctioned by the government continue to occur. The regime is now trying to bring these actions under control.

President Videla appears to be sincere in his efforts to remove the human rights problem as an issue of contention with the US. He does, however, have to contend with a belief among the military as a whole that Argentine society was on the brink of destruction at the hands of leftist insurgents. Often referred to as a moralist, Videla is a man of great integrity. 3.3(b)(1)

3.3(b)(1) He has correctness, honesty and puritanism elevated to extreme limits." He loathes corruption and is a deeply religious man.

The son of an infantry colonel, Videla rose through the ranks to become commanding general of the army in August 1975. 3.3(b)(1)

3.3(b)(1) Videla is very polite and, though he sometimes appears timid, seems always to have a big smile and a ready handshake. Videla does not like to hear off-color stories and does not like to discuss his job, the infantry, or his children. He speaks English poorly.

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3.3(b)(1) His physical appearance has earned him the nickname of "El Hueso" (the bone).

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Although Videla is chief of state, the supreme governing authority belongs to a three-man military junta representing the three services. Videla, as the army's representative, is the most powerful member of the triumvirate; the two other service chiefs are Navy Commander Admiral Emilio Massera and Air Force Chief Brigadier General Orlando Agosti.

Videla has not proved to be a strong and dynamic President. His style is to proceed cautiously and avoid confrontations if possible. The President has been criticized both for his lack of assertiveness and for his administrative failure to centralize authority. There are no indications of an immediate threat to his government, but conservative elements within the armed forces are not pleased with his moderate, go-slow approach.

Partly because of differences of opinion, but primarily because Videla has not given an appearance of being firmly in command, since late 1976, there has been considerable inter-service rivalry and resulting tension within the junta and the government. Admiral Massera, the most politically ambitious and astute of the triumvirate, was quick to challenge Videla's authority and has been a disruptive influence within the executive branch.

Since the March 1976 coup, Videla's government has had considerable success in controlling leftist terrorism and reviving the ailing economy. Grave problems remain, however, in both of these priority areas.

With Videla's strong backing, Minister of Economy Jose Martinez de Hoz has had significant success in reviving the economy. The inflation rate, which was nearly 400 percent during the first half of 1976, was down to little more than 100 percent in the second half, without a sharp rise in unemployment. Because of the Videla government's high degree of political credibility at the time of the coup, $1 billion was available in foreign loans to alleviate a severe balance-of-payments crisis. The exchange

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rate was adjusted to maintain export competitiveness, foreign exchange reserves were replenished, and a significant trade surplus replaced the large deficit of 1975.

Argentina still has a fiscal deficit, and Videla has been personally criticized for failing to decrease the swollen public payroll. A more immediate concern, however, is the growing restiveness of labor, which is paying through a decline in real wages for the government's stabilization program.

In bilateral discussions, Videla will stress that the human rights situation in Argentina is beginning to improve. He probably will state that Argentina's democratic institutions were in jeopardy and that a heavy hand was necessary to correct this situation. Videla probably will recall the recent visits of Human Rights Coordinator Derien and Assistant Secretary Todman and the fact that they were able to talk to a wide spectrum of Argentines. He will also note that the Argentine military has no pretensions of remaining in power indefinitely.

Another issue that he may bring up is Argentina's problem with US foreign military sales assistance. The government's decision on 31 August to cancel participation in the UNITAS XVIII fleet exercise no doubt reflects in large part dismay over US policies, particularly the provisions of the Humphrey-Kennedy amendment denying all military cooperation after 30 September 1978. Government officials are also upset over interruptions in the flow of spare parts for equipment already purchased, the closing of the US military group in Argentina while one remains in Brazil, and the conditions imposed on the prospective Argentine purchase of helicopters.

Domestic politics also enter into the UNITAS decision. Videla has been under severe criticism from military hard-liners for being too accommodating to recent US official visitors. The hard-liners' arguments questioned Videla's

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prestige and linked the UNITAS-US arms policies issue with Argentine nationalism and pride. Timing of the announcement probably is deliberately related to the President's US trip. Cancellation after the visit would have been viewed as an admission that the trip was a failure and inaction seen as another example of accommodation.

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